

SERFF Tracking Number: ARKS-125404184 State: Arkansas
Filing Company: 00006 - INSURANCE SERVICES OFFICE, INC. State Tracking Number: #104605 \$500
Company Tracking Number: CL 2007-OTRP1
TOI: 33.0 Other Lines of Business Sub-TOI: 33.0002 Other Commercial Lines
Product Name: Commerical Lines
Project Name/Number: TRIA/

Filing at a Glance

Company: 00006 - INSURANCE SERVICES OFFICE, INC.

Product Name: Commerical Lines	SERFF Tr Num: ARKS-125404184	State: Arkansas
TOI: 33.0 Other Lines of Business	SERFF Status: Closed	State Tr Num: #104605 \$500
Sub-TOI: 33.0002 Other Commercial Lines	Co Tr Num: CL 2007-OTRP1	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding
	Author:	Disposition Date: 12/31/2007
	Date Submitted: 12/27/2007	Disposition Status: Filed
Effective Date Requested (New): 01/01/2008		Effective Date (New): 01/01/2008
Effective Date Requested (Renewal): 12/31/2014		Effective Date (Renewal): 12/31/2014

State Filing Description:

General Information

Project Name: TRIA	Status of Filing in Domicile:
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 12/31/2007	
State Status Changed: 12/31/2007	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
TRIA PROGRAM	

Company and Contact

Filing Contact Information

NA NA, NA@NA.com

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NA (123) 555-4567 [Phone]

NA, AR 00000

Filing Company Information

00006 - INSURANCE SERVICES OFFICE, CoCode: 6 State of Domicile: Arkansas
INC.

No Address

Group Code:

Company Type:

City, AR 99999

Group Name:

State ID Number:

(999) 999-9999 ext. [Phone]

FEIN Number: 99-9999999

<i>SERFF Tracking Number:</i>	<i>ARKS-125404184</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>00006 - INSURANCE SERVICES OFFICE, INC.</i>	<i>State Tracking Number:</i>	<i>#104605 \$500</i>
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Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	
Per Company:	No

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Llyweyia Rawlins	12/31/2007	12/31/2007

<i>SERFF Tracking Number:</i>	<i>ARKS-125404184</i>	<i>State:</i>	<i>Arkansas</i>
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Disposition

Disposition Date: 12/31/2007

Effective Date (New): 01/01/2008

Effective Date (Renewal): 12/31/2014

Status: Filed

Comment:

Rate data does NOT apply to filing.

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	ARKS-125404184		No

<i>SERFF Tracking Number:</i>	<i>ARKS-125404184</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>00006 - INSURANCE SERVICES OFFICE, INC.</i>	<i>State Tracking Number:</i>	<i>#104605 \$500</i>
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<i>Product Name:</i>	<i>Commerical Lines</i>		
<i>Project Name/Number:</i>	<i>TRIA/</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: *ARKS-125404184* *State:* *Arkansas*
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Product Name: *Commerical Lines*
Project Name/Number: *TRIA/*

Supporting Document Schedules

Satisfied -Name: ARKS-125404184 **Review Status:** 12/31/2007
Comments:
Attachment:
ARKS-125404184.pdf



2828 EAST TRINITY MILLS ROAD SUITE 150 CARROLLTON, TX 75006
TEL: (214) 390-1825 FAX: (214) 390-1975

December 19, 2007

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

Attention: William R. Lacy, Director
Property and Casualty Division

RE: Insurance Services Office, Inc.
CL 2007-OTRP1
Agricultural Capital Assets (Output Policy)
Boiler and Machinery
Capital Assets Program (Output Policy)
Commercial Inland Marine
Commercial Property
Crime and Fidelity
Farm
Forms Relating to Certified Acts Revised in Response to Terrorism
Risk Insurance Program Reauthorization Act of 2007
State of Arkansas

Dear Mr. Lacy:

On behalf of those participating insurers that have authorized ISO to do so, we hereby file the captioned revision. The purpose of this filing is to introduce changes necessary to bring ISO's forms into compliance with the Terrorism Risk Insurance Program Reauthorization Act of 2007.

This Act extends the federal Terrorism Risk Insurance Program (which was set to expire at the end of December 31, 2007) for a seven-year period, through December 31, 2014. Several other noteworthy changes in the Act include:

- Revision to the criteria for certification of an act to eliminate the requirement that the act be committed on behalf of a foreign person or foreign interest.
- Requirement to provide a clear and conspicuous disclosure of the \$100 billion cap on payments for insured losses, as well as a strengthening of that cap.

CP#104605

\$ 500.⁰⁰

ARHS-125404184

RECEIVED

DEC 27 2007

PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

~~Approved until withdrawn
or revoked~~

DEC 31 2007

Arkansas Insurance Department

By: *LK acknowledge*
Filed

- Requirement that the Secretary of the Treasury develop regulations for determining the pro rata share of insured losses to be paid under the program when those insured losses exceed \$100 billion during any one program year.

Insurers are now faced with the task of overhauling policy administration systems to comply with the new requirements, including new policy language reflecting the revised definition of a certified act, additional disclosure requirements, and other issues. For this reason, we are proposing that this revision become effective in accordance with the following rule of application:

These changes are available for insurer use upon your approval.

To provide maximum flexibility to insurers in revising their policy administration systems, we propose that insurers are not required to advise you of the actual date on which they incorporate the attached into their workflow. This will avoid the need for unnecessary filings to delay effective dates, and takes into consideration the fact that insurers have varying system considerations and lead-time requirements.

It is very important that insurers have the tools contained in this filing available for use as soon as practicable. Your prompt approval of this critical filing is appreciated. Should you have any questions on the material contained herein, we would be happy to discuss them with you at your convenience. I urge you to call or send an e-mail, so that we can respond immediately to any concerns you may have.

Please return an acknowledged copy of this cover letter for our records. An addressed, stamped envelope is enclosed for your convenience.

Very truly yours,



Donald J. Beckel, CPCU, ARM
Assistant Regional Manager

DJB:db
Encl.

Forms Relating To Certified Acts Revised In Response To Terrorism Risk Insurance Program Reauthorization Act Of 2007

Applicable Lines of Business

This filing applies to the following:

- ♦ Agricultural Capital Assets (Output Policy)
- ♦ Boiler And Machinery
- ♦ Capital Assets Program (Output Policy)
- ♦ Commercial Inland Marine
- ♦ Commercial Property
- ♦ Crime And Fidelity
- ♦ Farm

About This Filing

This filing revises certain terrorism endorsements, and withdraws others, in response to enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007.

Revised Forms

We are revising the following endorsements:

- ♦ **IL 09 52 11 02 Cap On Losses From Certified Acts Of Terrorism [new edition is IL 09 52 01 08]**
- ♦ **IL 09 85 01 06 Disclosure Pursuant To Terrorism Risk Insurance Act [new edition is IL 09 85 01 08]**
- ♦ **IL 09 53 11 02 Exclusion Of Certified Acts Of Terrorism; Coverage For Certain Fire Losses [new edition is IL 09 53 01 08 and new title is Exclusion Of Certified Acts Of Terrorism]**

- ♦ **IL 09 86 12 03** Exclusion Of Certified Acts Of Terrorism Involving Nuclear, Biological Or Chemical Terrorism; Cap On Covered Certified Acts Losses [new edition is **IL 09 86 01 08** and new title is **Exclusion Of Certified Acts Of Terrorism Involving Nuclear, Biological, Chemical Or Radiological Terrorism; Cap On Covered Certified Acts Losses**]
- ♦ **IL 09 87 12 03** Limitation Of Coverage For Certified Acts Of Terrorism (Sub-Limit On Annual Aggregate Basis) [new edition is **IL 09 87 01 08**]
- ♦ **AG 09 01 09 07** Cap On Losses From Certified Acts Of Terrorism [new edition is **AG 09 01 01 08**]
- ♦ **AG 09 02 09 07** Exclusion Of Certified Acts Of Terrorism; Coverage For Certain Fire Losses [new edition is **AG 09 02 01 08** and new title is **Exclusion Of Certified Acts Of Terrorism**]
- ♦ **OP 09 03 11 02** Cap On Losses From Certified Acts Of Terrorism [new edition is **OP 09 03 01 08**]
- ♦ **OP 09 04 11 02** Exclusion Of Certified Acts Of Terrorism; Coverage For Certain Fire Losses [new edition is **OP 09 04 01 08** and new title is **Exclusion Of Certified Acts Of Terrorism**]

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the current editions to the new editions. Concurrent with implementation, the new editions will supersede the prior editions.

Withdrawn Forms

We are withdrawing following endorsements:

- ♦ **IL 09 58 11 02** Exclusion Of Certified Acts Of Terrorism
- ♦ **IL 09 63 11 02** Exclusion Of Certified Acts Of Terrorism
- ♦ **IL 09 68 11 02** Exclusion Of Certified Acts Of Terrorism; Coverage For Certain Fire Losses
- ♦ **IL 09 73 11 02** Exclusion Of Certified Acts Of Terrorism
- ♦ **AG 09 11 09 07** Disclosure Pursuant To Terrorism Risk Insurance Act
- ♦ **AG 09 14 09 07** Exclusion Of Certified Acts Of Terrorism
- ♦ **OP 09 05 11 02** Exclusion Of Certified Acts Of Terrorism
- ♦ **FP 10 83 11 02** Exclusion of Certified Acts of Terrorism [Farm Inland Marine endorsement]

Related Filing(s)

- ◆ Rules Filing CL-2007- RTRP1

Background

The Terrorism Risk Insurance Act (TRIA) of 2002 established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. Pursuant to Section 103(c) of the Act, all insurers providing insurance for applicable lines of business are required to participate in the program by making available coverage for insured losses resulting from an act of terrorism as defined by the Act (so-called certified acts coverage). The Terrorism Risk Insurance Program was extended for two years, until December 31, 2007, by the Terrorism Risk Insurance Extension Act of 2005, which incorporated various changes with respect to federal share of losses and affected lines of business. We responded in the past to each of these enactments, with filings of disclosure forms and various endorsements addressing the terrorism risk.

Current Environment

The federal Terrorism Risk Insurance Program has been revised and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007, which incorporates various changes to the Program. Certain changes, summarized as follows and recognized in the next section of this filing document, have an impact on ISO terrorism forms:

- ◆ Under Section 102(1)(A)(iv) of the Act, the definition of an act of terrorism (with respect to certification of such act) is revised by eliminating the criterion that the act be committed on behalf of a foreign person or foreign interest. As revised, the definition, in part, requires the act to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- ◆ Section 103(b)(3) of the Act requires disclosure of the existence of the \$100 billion cap on payments by insurers.
- ◆ Section 103(e)(2)(A) of the Act eliminates the provision asserting that Congress may take action to increase the \$100 billion cap in the event that insured losses exceed such cap; and Section 103(e)(2)(B) requires the Secretary of the Treasury to issue regulations for determining the pro rata share of insured losses to be paid under the Program (up to \$100 billion) when insured losses exceed \$100 billion.

Explanation of Changes

Cap On Losses From Certified Acts Of Terrorism Endorsements IL 09 52, AG 09 01, OP 09 03

These endorsements are revised as follows:

- ◆ Remove reference to the original enactment of TRIA, the Act "of 2002".
[Such reference does not appear in AG 09 01 09 07.]
- ◆ Revise the definition of certified act of terrorism by deleting the text "acting on behalf of any foreign person or foreign interest", in line with the revision to Section 102(1)(A)(iv) of the Act. In addition, this definition is revised to elaborate on the reference to aggregate losses, which are aggregate insured losses attributable to all types of insurance subject to TRIA.
- ◆ Revise the language expressing the existence and effect of the cap. As revised, the language explicitly refers to the amount of the cap and addresses allocation of insured losses, pursuant to Sections 103(e)(2)(A) and 103(e)(2)(B) of the Act.
- ◆ Under Endorsement IL 09 52, remove reference to monoline Crime forms and add reference to the Crime And Fidelity Coverage Part, which can be used only in a commercial package policy. This action is in accordance with ISO manual rules implemented for the Crime/Fidelity line of business after it was removed from the jurisdiction of TRIA. The current Crime/Fidelity rules enable use of TRIA endorsements as an option, for consistency among TRIA and non-TRIA lines of business in a package policy.
- ◆ Under Endorsement IL 09 52, add reference to the Equipment Breakdown Coverage Part, which was implemented by ISO in most states as a successor to the Boiler And Machinery Coverage Part. It is our understanding that both Coverage Parts are in general use today, as there is a fairly long transition in adoption of new programs by individual insurers.

Disclosure Pursuant To Terrorism Risk Insurance Act – Line Item Disclosure Endorsement IL 09 85

This endorsement is revised as follows:

- ◆ The Schedule entry for disclosure of the federal share of terrorism losses is being removed. Paragraph B. of the endorsement discloses the federal share of 85%. The Schedule entry had accommodated the possibility of change in the federal share for Program Years after 2007. With the 2007 extension of TRIA, the 85% federal share will remain constant for the life of the extension, that is, through December 31, 2014.
- ◆ In compliance with the disclosure requirement of Section 103(b)(3) of the Act, Paragraph B. of the endorsement is revised and Paragraph C. is added to

address the \$100 billion cap. Paragraph C. also advises, in accordance with the provisions of Section 103(e)(2)(B), that all insured losses are subject to pro rata allocation when aggregate insured losses exceed \$100 billion.

NOTE: Applicability of Endorsement IL 09 85 is being extended to the Agricultural Capital Assets Program. Accordingly, AG 09 11 09 07 is being withdrawn.

Exclusion Of Certified Acts Of Terrorism Endorsement IL 09 53, AG 09 02, OP 09 04

These endorsements are revised to:

- ◆ Remove reference to the original enactment of TRIA, the Act "of 2002".
[Such reference does not appear in AG 09 02 09 07.]
- ◆ Revise the definition of certified act of terrorism by deleting the text "acting on behalf of any foreign person or foreign interest", in line with the revision to Section 102(1)(A)(iv) of the Act. In addition, this definition is revised to elaborate on the reference to aggregate losses, which are aggregate insured losses attributable to all types of insurance subject to TRIA.
- ◆ Revise the language expressing the existence and effect of the cap. As revised, the language explicitly refers to the amount of the cap and addresses allocation of insured losses, pursuant to Sections 103(e)(2)(A) and 103(e)(2)(B) of the Act.
- ◆ Add a Schedule to indicate applicability of the Exception Covering Certain Fire Losses, which applies in situations where a statutory Standard Fire Policy precludes excluding fire following terrorism. To complement the Schedule, introductory text is added to Paragraph C. With the addition of a Schedule under these endorsements, other versions of the certified acts exclusion can be withdrawn; for more information, refer to the explanation concerning the withdrawn endorsements.
- ◆ Revise the title of each endorsement, to remove reference to Coverage For Certain Fire Losses, because such coverage applies only to risks indicated in the Schedule as explained above.
- ◆ Extend applicability of IL 09 53 to Boiler And Machinery and Crime/Fidelity, which currently use a different version of the certified acts exclusion. For more information, refer to the explanation concerning the withdrawn endorsements. **NOTE:** Reference to Crime/Fidelity appears on this TRIA endorsement in accordance with ISO manual rules implemented for such line of business after it was removed from the jurisdiction of TRIA. The current Crime/Fidelity rules enable use of TRIA endorsements as an option, for consistency among TRIA and non-TRIA lines of business in a package policy.

- ◆ Add reference to the Equipment Breakdown Coverage Part under IL 09 53.

Exclusion Of Certified Acts Of Terrorism Involving Nuclear, Biological, Chemical Or Radiological Terrorism; Cap On Covered Certified Acts Losses Endorsement IL 09 86

This endorsement is revised to:

- ◆ Include reference to "Radiological" in the endorsement's title, thereby recognizing the contemporary expression of the so-called NBCR exposure. Further, such expression is consistent with the current content of Paragraphs B.1. and B.2. of this endorsement.
- ◆ Remove reference to the original enactment of TRIA, the Act "of 2002".
- ◆ Revise the definition of certified act of terrorism by deleting the text "acting on behalf of any foreign person or foreign interest", in line with the revision to Section 102(1)(A)(iv) of the Act. In addition, this definition is revised to elaborate on the reference to aggregate losses, which are aggregate insured losses attributable to all types of insurance subject to TRIA.
- ◆ Revise the language expressing the existence and effect of the cap. As revised, the language explicitly refers to the amount of the cap and addresses allocation of insured losses, pursuant to Sections 103(e)(2)(A) and 103(e)(2)(B) of the Act.
- ◆ Remove reference to monoline Crime forms and add reference to the Crime And Fidelity Coverage Part.
- ◆ Add reference to the Equipment Breakdown Coverage Part.

Limitation Of Coverage For Certified Acts Of Terrorism (Sub-Limit On Annual Aggregate Basis) Endorsement IL 09 87

This endorsement is revised to:

- ◆ Remove reference to the original enactment of TRIA, the Act "of 2002".
- ◆ Revise the definition of certified act of terrorism by deleting the text "acting on behalf of any foreign person or foreign interest", in line with the revision to Section 102(1)(A)(iv) of the Act. In addition, this definition is revised to elaborate on the reference to aggregate losses, which are aggregate insured losses attributable to all types of insurance subject to TRIA.
- ◆ Revise the language expressing the existence and effect of the cap. As revised, the language explicitly refers to the amount of the cap and addresses allocation of insured losses, pursuant to Sections 103(e)(2)(A) and 103(e)(2)(B) of the Act.
- ◆ Remove reference to monoline Crime forms and add reference to the Crime And Fidelity Coverage Part.

- ♦ Add reference to the Equipment Breakdown Coverage Part.

Withdrawn Endorsements

IL 09 58/-63/-68/-73 (counterparts to revised endorsement IL 09 53)

AG 09 14 (counterpart to revised endorsement AG 09 02)

OP 09 05 (counterpart to revised endorsement OP 09 04)

FP 10 83 (counterpart to revised endorsement IL 09 53)

- ♦ These endorsements are all versions of the certified acts exclusion. **Revised Endorsements IL 09 53, AG 09 02 and OP 09 04, as described above, are being filed for use in all states in which this filing (CL-2007-OTRP1) is made, and replace the aforementioned withdrawn endorsements.** This action will streamline the portfolio of terrorism forms and simplify the issuance of multi-state accounts. In the current portfolio of terrorism forms, multiple versions of the certified acts exclusion are employed to reflect the variations in the applicability of a statutory Standard Fire Policy (SFP) requirement (requiring coverage for fire following terrorism) in the various states and lines of business. The endorsements being retained enable the insurer to use one certified acts exclusion form for a particular line of business. They each contain the Exception Covering Certain Fire Losses, and a Schedule. The Schedule is used to indicate the state(s) in which the SFP – and therefore the Exception -- applies. In interline form IL 09 53, the Schedule is also used to indicate the given line(s) of business for which the Exception applies in a given state. [The approach of using a Schedule is already in use currently for endorsements IL 09 86 and IL 09 87.] Refer to the appendix of this explanatory memorandum for a chart of SFP status. That information is and will continue to be published in the ISO Terrorism Supplement to the Commercial Lines Manual, for guidance on applicability of the Exception Covering Certain Fire Losses. The chart in the appendix also includes a list of the current certified acts exclusion endorsements addressed in this filing, by state and line of business.

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APPENDIX

Applicability of Current Endorsements - Certified Acts Of Terrorism Exclusion				
SFP States		SFP States with Inland Marine Exception		Non-SFP States
CM, CP, FR	BM, CR	CP, FR	BM, CM, CR	BM, CM, CP, CR, FR
IL 09 53	IL 09 63	IL 09 68	IL 09 73	IL 09 58
AG		AG		AG
AG 09 02		AG 09 02		AG 09 14
OP		OP		OP
OP 09 04		OP 09 04		OP 09 05
		Farm inland marine		Farm inland marine
		FP 10 83 (not in effect in NJ)		FP 10 83 (AZ*, ID*, MN, NE, ND, OK, PA only)

Lines of Business
AG = Agricultural Capital Assets (Output Policy)
BM = Boiler And Machinery (and Equipment Breakdown)
CM = Commercial Inland Marine
CP = Commercial Property
CR = Crime/Fidelity
FR = Farm
OP = Capital Assets (Output Policy)

Statutory Standard Fire Policy (SFP) Status
<u>SFP States without Inland Marine Exception:</u> CA, ME, MO*, OR, VI, WI
In these states, coverage is required for fire following terrorism. The SFP applies to all property lines except BM.
<u>SFP States with Inland Marine Exception:</u> CT*, GA*, HI, IA, IL, MA, NC, NJ, NY*, RI, VA*, WA*, WV
In these states, coverage is required for fire following terrorism (except that the SFP statutes in CT and VA enable an exclusion of fire following a certified act of terrorism). The SFP applies to all property lines except BM, CM and Farm inland marine.
<u>Non-SFP States:</u> AK*, AL, AR, AZ*, CO, DC, DE, FL*, GU, ID*, IN, KS, KY, LA, MD*, MI, MN, MS, MT, ND, NE, NH, NM, NV, OH, OK, PA, PR, SC, SD, TN, TX, UT, VT, WY
In these states, there is no statutory SFP, or the SFP contains an exception enabling exclusion of fire following terrorism. (In ID, terrorism is defined in the statute. In AZ, coverage for fire following terrorism is required for residential risks.)
*NOTE: The states of AK, AZ, CT, FL, GA, ID, MD, MO, NY, VA and WA are addressed in this chart only for the purpose of providing a countrywide overview of SFP status. These states will receive state-specific filings and thus we are not submitting this multi-state filing in these states.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
~~COMMERCIAL CRIME COVERAGE FORM~~
~~COMMERCIAL CRIME POLICY~~
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
~~CRIME AND FIDELITY COVERAGE PART~~
~~EMPLOYEE THEFT AND FORGERY POLICY~~
~~EQUIPMENT BREAKDOWN COVERAGE PART~~
 FARM COVERAGE PART
~~GOVERNMENT CRIME COVERAGE FORM~~
~~GOVERNMENT CRIME POLICY~~
~~KIDNAP/RANSOM AND EXTORTION COVERAGE FORM~~
~~KIDNAP/RANSOM AND EXTORTION POLICY~~
 STANDARD PROPERTY POLICY

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A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. ~~For losses occurring in 2006, the federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. For losses occurring in 2007, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. If the federal program is extended beyond 2007, the applicable percentage is shown in the Schedule of this endorsement or in the policy Declarations. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.~~

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM; COVERAGE FOR CERTAIN FIRE LOSSES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses (Paragraph C)** applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

- A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- C. **Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph B. applies only if indicated and as indicated in the Schedule of this endorsement.

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If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

~~With respect to fire resulting from any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.~~

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL, OR CHEMICAL OR RADIOLOGICAL TERRORISM; CAP ON COVERED CERTIFIED ACTS LOSSES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYEE THEFT AND FORGERY POLICY
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION POLICY
STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

- A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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B. The following exclusion is added:

LIMITED EXCLUSION OF CERTIFIED ACTS OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or
3. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical material; or
4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the terrorism was to release such material.

When this terrorism exclusion is made applicable applies in accordance with the terms of Paragraph B.1. or B.2., the terrorism exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph B. above applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" excluded under Paragraph B. results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

D. Cap On Certified Terrorism Losses

The following limitation applies to coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of the exclusion in Paragraph B. and to any loss or damage that is covered and to which the exception in Paragraph C. applies:

We will not pay any amounts for which we are not responsible under the terms of the Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses. If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

E. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the non-applicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the War And Military Action Exclusion.

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POLICY NUMBER:

IL 09 87 42-0301 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE FOR CERTIFIED ACTS OF TERRORISM (SUB-LIMIT ON ANNUAL AGGREGATE BASIS)

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYEE THEFT AND FORGERY POLICY
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION POLICY
STANDARD PROPERTY POLICY

SCHEDULE

SCHEDULE PART I – Applicability Of Terrorism Sub-Limit

Coverage Form, Coverage Part Or Policy	Description Of Property Or Coverage	Certified Acts Sub-Limit

SCHEDULE PART II – Exception: Non-Applicability Of Certified Acts Sub-Limit To Certain Fire Losses (refer to Paragraph D.):

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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- A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the non-applicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

C. Limitation Of Amount Of Coverage For Certified Acts Of Terrorism

When coverage applies to loss or damage caused by a "certified act of terrorism", the full Limit of Insurance on the affected property or coverage does not apply to such loss or damage. Instead, the following limitation applies to the loss or damage. The limitation applies even if another Covered Cause of Loss contributes concurrently or in any sequence to the loss or damage, except as otherwise provided in this endorsement.

The Certified Acts Sub-Limit is the most we will pay for the total of all loss or damage (sustained under the coverage to which the Sub-Limit applies) caused by one or more "certified acts of terrorism" in an annual policy period. If losses from a "certified act of terrorism" do not exhaust the Certified Acts Sub-Limit, then the balance of that Sub-Limit is available for losses from a later act(s) that occurs in the same annual policy period. If a "certified act of terrorism" begins during one annual policy period and ends during the following annual policy period, the only amount of coverage available is the Sub-Limit (or balance of it) applicable to the annual policy period in which such act began.

Amounts payable under a Coverage Extension, Additional Coverage or similar provision in the policy do not increase the Certified Acts Sub-Limit.

D. Exception: Non-Applicability Of The Certified Acts Sub-Limit To Certain Fire Losses

The following exception applies only with respect to property located in the states indicated in Part II of the Schedule of this endorsement, if covered under the Coverage Form, Coverage Part or Policy indicated therein. The exception relates only to loss or damage caused by a "certified act of terrorism".

When covered direct loss or damage attributable to fire exceeds the amount of the Sub-Limit, we will pay the full amount of the fire loss, up to the Limit of Insurance on the affected property, subject to policy provisions including Deductible and Valuation. In that circumstance, the Limit of Insurance is the most we will pay for the total of all covered direct loss or damage by fire and any other effect of the "certified act of terrorism" and any other Covered Cause of Loss that contributes concurrently or in any sequence to the loss or damage.

When covered direct loss or damage attributable to fire is less than the Sub-Limit, then the Sub-Limit is the most we will pay for the total of fire and any other covered loss or damage.

This Paragraph, D., does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form. Therefore, when a Sub-Limit is shown for those coverages, the Sub-Limit for those coverages is the maximum recoverable regardless of whether fire is an effect of the "certified act of terrorism".

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E. Cap On Certified Terrorism Losses

With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses. If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

F. Coinsurance

The Coinsurance Condition in this policy does not apply to the coverage addressed in this endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in ~~that the~~ Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate ~~insured~~ losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals ~~acting on behalf of any foreign person or for foreign interest~~, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

~~With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.~~

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM; COVERAGE FOR CERTAIN FIRE LOSSES

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s):

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in ~~that the~~ Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals ~~acting on behalf of any foreign person or foreign interest~~, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- C. **Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph B. applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income And Extra Expense coverages or endorsements which apply to those coverages.

~~With respect to fire resulting from any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.~~

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM; COVERAGE FOR CERTAIN FIRE LOSSES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s):

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph B. applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income And Extra Expense coverages or endorsements which apply to those coverages.

With respect to fire resulting from any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

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This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYEE THEFT AND FORGERY POLICY
FARM COVERAGE PART
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION POLICY
STANDARD PROPERTY POLICY

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- A.** The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B.** The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

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- C.** **Application Of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

W

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION POLICY

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- A.** The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B.** The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- C. Application Of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM; COVERAGE FOR CERTAIN FIRE LOSSES

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This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

- A.** The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B.** The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Exception Covering Certain Fire Losses

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

With respect to fire resulting from any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Standard Property Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

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This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL INLAND MARINE
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION POLICY

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- A.** The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B.** The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- C.** **Application Of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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POLICY NUMBER:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY)
AG 09 11 09 07

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

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Terrorism Premium (Certified Acts) \$

Additional information, if any, concerning the terrorism premium:

Federal share of terrorism losses % Year: 20 ____
(Refer to Paragraph B. in this endorsement.)

Federal share of terrorism losses % Year: 20 ____
(Refer to Paragraph B. in this endorsement.)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. For losses occurring in 2007, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. If the federal program is extended beyond 2007, the applicable percentage is shown in the Schedule of this endorsement or in the policy Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

**MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM**

- A.** The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses ("losses") in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B.** The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss ("loss") or damage caused directly or indirectly by a "certified act of terrorism". Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss").

- C.** **Application Of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss ("loss") which would otherwise be excluded under this Coverage Form, such as losses ("losses") excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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